(d) what are the details of ihe re:ommendations of the Election Commission in this regard and the reaction of Government thereto?

THE MINISTER OF *STATC* IN THE MINISTRY OF FINANCE (SHRI AN ARDHAN POOJARI): (a) to (d) Details are being collected and a state-neiU will be placed on ihe rabi; of the house.

Pande Committee

2428. SHRI G. SWAMY NAIK:

PROF B. RAMACHANDRA RAO:

Will ihe Minister of COMMERC!-, be manufactures;

(a) what are ihe main recommendations of Pande Commitiee on leather and leather manufacturers;

lb) whether the Commitiee has recommended that only fine leather as per the new ISI norms should be exported; and

(C) if so, whelher this recommendation :. likely to have adverse effeci on the leather exports as semiprocessed leather cannot be exported under the new ISI Standards?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) A Statement is attached.

(b) The Committee has recommended that the ISI standard defining fmihed leather 'ihould be made realistic and ihe export incentives should be applicable to the finished leather so defined.

(c) The implementation of this recommendation will not adversely affect the overall ixports of leather and leather products.

Statement

Main recommendations of Pande Commitiee on leather and leather manufactures far exports.

1.1. Approach

The ultimate objective should be to make footwear ihe single most important item of leather exports. During the Seventh plan. Government polic\ should be fashioned to ensure the folio »ing: —

(ni Strengthening and enlagerment of snl oi the infrastructure for production and ex port of footwear and other leather manufactures.

(b) Improved availability o finished leather for production of Ieathsr goods by means of a combination of upgiad-ing domestic availability of sent -finished and finished leather svi'h liberal imports.

(c) Liberal access to the *r-M* quali'V machines, raw materials consumables and components for technological advancement by combining imports wilh the creation of domestic manufacturing infrastructure.

(d) A package of incentive to enable the export of leather good- to face world competition.

1.2. Availability of Hides, Skirts and Leather.

I. 2. 1 A professional study of ihe system of collection and marketing of raw hides and skins in India mw be commissioned by Govt.

1. 2, 2. The ISI standard terming finished leather should be made realistic and the export incentive should be applicable to the finished leather so defined

1. 2. 3 While there is adeqoate availability of leather resources in India to rchieve the Seventh plan targets, it would be desirable to import finished feather from bovine hides and skins free cf duty.

1.2.4 A five year announcement, (o coincide the Seventh Plan, should he made for duty fre imports under OGL, ol' raw hides and skins, wel blue chrome tanned and crust leather including splits and sides.

1.2.5 As ihe Review Committee con sisted of diverse interests, including re presentatives of the trade and i.idtistry, it Has felt that ils recommendation-- with regard to ihe export policy on export incentives -hould be confined to broad indications of the direction, leaving the detailed policy prescriptions to 'c carried out hy Government. Accor Ji ."ul> the following recommendations were made:

(a) A slage has now come when Go-vernment should rationalise th; export quota machaism for regulating 'he exports of semi-processed le.rivr

(b) The stipulation of 40 per oin ox-port obligation on finishing units nay be done away with.

(c) A graded system of incentives, leather exports require a fresh look by Government.

(d) graded system of incentives, based upon comparative value addition at different tsages should be considered
by Government.

I

1.3 Upgradation of Technologv

1.3.1. The need for extension services in the cottage sector for technological upgradation for rural tanners *A^ii* produ cers of valueadded leather products is self-evident. The Department of Indust rial Development should chalk ou', clearly defined schemes for this purpose.

1.3.2. The machinery and equipment listed in Annexure-I may be placed under j OGL for import.

1.3.3. The Committee strongly endorses the recommendation of the Task Force (1979) that the import duty on machines should be brought down uniformly to 25 per cent on all taming, finishing, footwear and other leather goods machines which find place in the OCL. I

1.3.4 Non-availability of trained manpower al all levels is ti serious constraint in the development of the leather manufactures industry along rnodetn lines. Fellowships should, therefore, be instituted in order to depute artisans, supervisors and managers for foreign trainin-.:,

1.3.5 Foreign experts should be invited to give in-plant training 10 production personnel at all levels.

Ish The existing training should be equipped with modem nery and equipment, for which the Department of Industrial Dev-;lo| ^ould formulatee appropriate schemes.

1.3.7 Technical training should be taken up by the Council for Leaflet Export as a Code activity, which should be made eligible for MDA.

1.3.8 With regard to the requirements of raw materials, components and consumables for production of finished leather, footwear and other leather goods, the following recommendations are made:

(a) inclusion in Appendix 1/ oi the Import Policy of the items IM. Annexure IL

(b) inclusion in he OGL for impotl of the 'terns listed in Annaxure III.

(c) inclusion in Annexure *I* of Appendix 21 of the Import Policy of the items listed in Annexure TV.

fd) reduction/abolition of import duties in respect of the items lfsted in Annexure V.

1.4 Export of Footwear and Leather Manufactures.

1.4.1 The C ommittee has identified the following infrastructural gaps coming in the way of export production of footwear

(a) Non-availability of the required grades and quality of finished leather at competitive prices.

(b) Absence of good quality training in footwear engineering, design and pattern making skills.

(c) Lack of indigenous production ot well engineered lasts, components and soles for the footwear industry including upgradation of the sole leather from buffalo hides.

(d) Lack of a network of modern laboratories and testing units for quality control.

(e) Absence of a brand image for India-made footwear in the world market.

(f) Lack of attractive and durable packaging.

(g) Lack of a meaningful nexus between development [ar]d research.

It is of the view that a determined initiative on the part of Government is essential to create a catalytic model which can be replicated. The Committee recommends for the consideration of Government a concrete operational model, in which a centralised autonomous agency, working under the umbrella of a reputed institute of technical education sucb as an Indian Institute of Technology, will perform some direct functions apart from assisting in the development of a supporting infrastructural base. A project profile fo_r such a Footwear Design and Development Institute is appended as Appendix Vfl. The project will involve an investment of Rs. 9.5 crores and an employment of 2900. It will be completed in four j phases.

1.4.2 In the context of the recommendation regarding FDDI. it will lie necessary to replicate this operational I strategy in different States where nodal agencie.; be entrusted with the task of co-ordinating the development of the six supporting functions enumerated above leaving the direct functions to be performed by FDDI alone.

1.4.3 Government may consider enlargement of the scope of the proposed Institute to include other leather goods, sucb. as garments, handbags, gloves, etc.

1.4.4 Liberal assistance from MDA should be made available, fn foreign exchange, for individual brand promotion abroad.

1.4.5 The list ol: raw materials required for production of intermediates for use in the export production of footwear should be included in Annexure VI to Appendix 19 of thi Import Policy. This list is given at Annexure VL

1.5 Institutional Coordination.

The Committee recognises the existence of a number of agencies which have been set up by Government such as STC, BLC, State Leather Development Corporations, CLRI, CLE, CFTCs KVIC, etc. to service varying interests. Within the Government itself, there are several Ministries which deal with different aspects of the industry. It is recommended that:

(a) Government should examine the performance of these organisations with respect to the rationale of their creation and take remedial ;iction to avoid duplication and ensure coordination. A_s a first step, it is recommended that the Department of Industrial Development should $examin_e$ the extent t_0 which the State Leather Development Corporations and BLC have served their objectives.

(b) The role of a harmonising agency could be played by the creation of a statutory All India Leather Board on the analogy of other commodity Boards by integrating on_e Or more of the existing organisations. Such a Board could also coordinate the activities of Ihe institutions whose continuance may be consideied necessary.

Unit Trust of India

2429. SHRIMATl KRISHNA KAUL: Will the Minister of FINANCE be pleased to state:

(a) whether the Unit Trust of Tndia has any proposal under its consideration regarding direct financing for housing and leasing; and

(b) if so, what are the details thereof?